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7 LIBERTY ASSET MANAGEMENT CORPORATION

8 UNITED STATES BANKRUPTCY COURT

9 NORTHERN DISTRICT OF CALIFORNIA

10 SAN FRANCISCO DIVISION

11 In re

12 GLOMETRO, INC.,

13 Debtor.

14 Taxpayer's Identification No. 94-3265040

Case No. 10-30380 DM

Chapter 11

R.S. No.: 001

**DECLARATION OF JOEL M. JOSEHART**

Date: June 25, 2010

Time: 10:00 a.m.

Place: Courtroom 22

235 Pine Street

San Francisco, California

Judge: Hon. Dennis J. Montali

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20  
21 I, JOEL M. JOSEHART, declare as follows:

22 1. I am the President and owner of Josehart Construction Management, Inc., a  
23 California corporation, located at 201 Corte Madera Avenue, Corte Madera, CA 94925. I am a  
24 licensed architect in Illinois and in Wisconsin. I hold a California general contractor's license. I  
25 have worked in construction management and architecture for the last 27 years, with substantial  
26 experience dealing with large, complex construction projects. My present firm provides  
27 construction management services throughout all phases of design and construction, including  
28 post-construction investigation and evaluation of contract claims and/or construction defects. I

1 have personal knowledge of the facts set forth herein, and if called as a witness, could and would  
2 testify competently thereto.

3       2.       I have been engaged as an expert to assess the general status of the unfinished  
4 construction project ("Project" or "Property") located at 722-728 Montgomery Street, San  
5 Francisco, California, also known as the Belli Building, on behalf of secured creditor Liberty  
6 Asset Management Corporation ("Liberty"). As part of this engagement, I visited the Project on  
7 January 27, 2010 and on February 3, 2010, and gave a declaration to be filed in support of  
8 Liberty's motion to obtain the appointment of a receiver. Reply Declaration of Joel M. Josehart,  
9 AIA, In Support Motion for Appointment of Receiver and Preliminary Injunction, dated  
10 February 3, 2010, filed in *Liberty Asset Management Corporation, Plaintiff, v. Glometro, Inc., et*  
11 *al., Defendants*, San Francisco County Superior Court, Case No. CGC-09-495619, filed Feb. 4,  
12 2010. A true copy of my state court declaration including exhibits is attached hereto as Exhibit 1,  
13 and by this reference incorporated herein as though set forth in full.

14       3.       As recounted in my state court declaration, the Project is suffering from several  
15 serious problems as a result of the cessation of construction and the failure to protect the project  
16 from the elements. These include the complete failure of the shrink-film enclosure, significant  
17 water intrusion, and potential mold damage. The observations and conclusions that I made when I  
18 gave the state court declaration were based only on what I could see from the outside of the  
19 building, as I did not have access to the interior at that time.

20       3.       On June 11, 2010, I made a further visit to the Project, at which time I walked the  
21 interior of the building as well as the roof. Based on this additional site visit, I have the following  
22 further observations about the condition of the Project.

23       4.       The roof of the building is unfinished, consisting of plywood deck sheathing  
24 covered with a single, self-adhering sheet membrane. The membrane is extremely vulnerable to  
25 UV degradation, and has long since failed to provide water protection for the underlying  
26 sheathing. As a result, the decking is beginning to delaminate and fail, with water penetrating the  
27 plywood. Water stains on the underside of the sheathing are visible from below. These conditions  
28 are shown on the photographs I took during my June 11 visit, attached hereto as Exhibits 2-1

1 through 2-4. My recommendation is that the plywood sheathing be removed and replaced to allow  
2 for the proper installation of a new roof system and compliance with the roof manufacturer's  
3 warranty requirements.

4         5.         Plywood subfloors have been installed throughout the building. However, due to  
5 long exposure of the interior to the elements, the interior has been receiving water which has  
6 ponded on the subfloors. In some locations, the plywood veneer is delaminating. These will  
7 require removal and replacement. These conditions are shown in my June 11 photographs  
8 attached hereto as Exhibits 3-1, 3-2 and 3-3.

9         6.         There are also water intrusion conditions that were not addressed by the original  
10 shrink-wrap that now need to be addressed. These include the exterior parapet walls whose  
11 framing members run from the top floor past the roof system; the parapet framing was left  
12 completely unenclosed and exposed to the sky, permitting rain water to enter. There are also open  
13 gaps between the exterior walls of the building and the exterior walls of adjacent buildings which  
14 permit water to enter the Project. These conditions, shown in my June 11 photographs attached  
15 hereto as Exhibit 4-1 through 4-7, also need to be remedied to prevent deterioration of the Project.

16         7.         During my June 11 site visit, I observed pigeons in the building, as well as bird  
17 excrement fouling the subfloors and tops of beams in numerous places. Examples are shown in  
18 my photographs attached hereto as Exhibits 5-1 through 5-3. The mess will need to be cleaned  
19 and disinfected, with damaged materials replaced as necessary.

20         8.         There is standing water in the basement of the building. Water stains on the walls  
21 and floors indicate that the standing water was more extensive than observed during my visit.  
22 Some of the historic millwork stored in the basement is actually sitting in the standing water.  
23 Other historic millwork is improperly stored because it is resting at steep angles that could result  
24 in warping. The water needs to be removed and the millwork inspected and restored as necessary.  
25 The bottom of the elevator pit is also flooded and needs to be pumped out. Photographs taken on  
26 June 11 of these conditions are attached hereto as Exhibits 6-1 through 6-3.

27         9.         I have not had an opportunity since my June 11 site visit to determine the cost and  
28 time that will be required to repair the damage to the Project resulting from the cessation of

1 construction and the failure or inadequacy of the temporary protective measures that were taken.  
2 Based on my observations and experience, however, I believe that the damage will cost tens of  
3 thousands of dollars and take several weeks to repair.

4 I declare under penalty of perjury that the foregoing is true and correct.

5 Executed on June 18, 2010, at Corte Madera, California.

6  
7 /s/ Joel M. Josehart

8 JOEL M. JOSEHART  
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